

March 12, 2013

**Via Overnight Delivery and Facsimile**

Stephanie Beckhorn  
Workforce Investment Act  
202 North Washington Square  
5th Floor  
Lansing, Michigan 48913  
Facsimile to 517-373-7794

Re: Mass Layoff/Facility Closing

Dear Ms. Beckhorn:

This letter is to inform you that Entertainment Publications, LLC (the "Company") anticipates filing later today a petition for bankruptcy under Chapter 7 of the Bankruptcy Act. In connection with the filing of the bankruptcy petition, the Company has closed its entire facility at 1414 E. Maple Road, Troy, Michigan 48083 (the "Facility"). Accordingly, the employment of all employees of the Company has been terminated, regardless of whether they work at the Facility or elsewhere. As required by the Worker Adjustment and Retraining Notification Act of 1988, 29 U.S.C. § 2101 et seq. this letter serves to notify you of the closing of the Facility and the resulting permanent mass layoff. Pursuant to 29 U.S.C. § 2102(a)(3), the Company is providing this Notice as soon as practicable, but less than 60 days in advance of the closing of the Facility and the resulting permanent mass layoff. As explained in more detail below, the Company was unable to provide this Notice sooner because it was attempting to secure additional operating capital and the potential investors would not do business with the Company if the Company were publicly known to be troubled and whose workforce would be looking for alternate employment.

On or about February 12, 2013, the Company entered into a loan agreement for operating capital with MH Investors United, LLC, through its manager, MH Equity Managing Member, LLC. Merchant Capital, LLC is an investor in MH Private Equity Fund, LLC (the "Fund"), which indirectly, through several intermediary limited liability companies, owns the majority interest in the Company and, upon information and belief, was the source of some or all of the capital which was to be loaned to the Company by MH Investors United, LLC. The Fund was managed by MH Equity Managing Member, LLC, a company owned and controlled by Stephen Hilbert.

On or about February 19, 2013, the Company's officers were informed via telephone call from a former agent of MH Equity Managing Member, LLC that a preliminary injunction had been

issued out of the Eau Claire County Circuit Court removing MH Equity Managing Member, LLC and Stephen C. Hilbert as the "manager of Entertainment". The Company was not a party to the underlying lawsuit and its officers were not provided with notice regarding the pendency of the motion for preliminary injunction. On the evening of February 27, 2013, the officers of the Company were informed by an agent of Merchant Capital, LLC that no additional funds would be released under the loan agreement with MH Investors United, LLC for operating capital for the Company and that Merchant Capital, LLC would not fund operations going forward.

The officers of the Company immediately and aggressively sought additional operating capital from potential third party investors as well as from its senior lender Citizens Bank. One promising avenue of securing operating capital involved the acquisition of the controlling interest in the Company by one or more third party investors who had previously expressed interest in acquiring the Company. Providing additional notice regarding potential closure to employees, vendors and the public would have precluded the Company from obtaining the capital necessary to operate, as the potential investors would have not chosen to do business with the Company as a company publicly known to be troubled and whose workforce would be looking for alternate employment.

On March 6, 2013, the officers of the Company were informed that Citizens Bank was terminating their loan agreement with the Company. On March 9, 2013 a third party investor proposed an interim financing plan to Merchant Capital, LLC for the purpose of providing additional operating capital to the Company in order to extend the time available to negotiate an acquisition. Late yesterday, the Company received information that the potential third party investor would be unable to reach an agreement with Merchant Capital, LLC in time to provide financial relief to the Company before the Company's operational resources were exhausted.

Employees at the Facility have no bumping rights, which means that none have the right to take another employee's job. Additionally, none are covered by a collective bargaining agreement.

The Company official to contact for further information is Christopher A. Ward at 302-252-0922.

A list of employee classifications affected by the closing of the Facility is attached. Of the affected employees, approximately 187 full-time employees and 38 part-time employees work at the Facility.

Very truly yours,



Paula Johnson-Bacon

**FULL-TIME POSITIONS AFFECTED**

| <b><u>Full-Time Job Position</u></b>                    | <b><u>Number<br/>of<br/>Affected<br/>Employees</u></b> |
|---|--|
| Account Coordinator Director Sales                      | 2  |
| Account Manager CMS                                     | 4  |
| Account Specialist High School                          | 6  |
| Account Specialist HS OVR                               | 1  |
| Accounts Payable Analyst                                | 2  |
| Accounts Receivable Analyst                             | 1  |
| Acct Specialist Direct Sales                            | 1  |
| Affiliate Marketing Manager                             | 1  |
| Art Production Scanner                                  | 1  |
| Associate Marketing Manager                             | 1  |
| Associate Marketing Manager-CMS                         | 1  |
| Business Analyst  | 2  |
| Business Services Manager                               | 1  |
| Chief Executive Officer                                 | 1  |
| Chief Information Security Officer                      | 1  |
| Client Relations Representative                         | 3  |
| Customer Service Program Manager                        | 1  |
| Data Warehouse Developer                                | 1  |
| Digital Product Manager                                 | 3  |
| Digital Product Manager                                 | 1  |
| Director Account Management - CMS                       | 1  |
| Director Marketing Customer Loyalty                     | 1  |
| Director Operations Direct Sales                        | 1  |
| Director eCommerce Mobile Development                   | 1  |
| Director Fundraising Service                            | 1  |
| Director Marketing and Communication                    | 1  |
| Director of Application Development                     | 1  |
| Director of Compensation and Benefits                   | 1  |
| Director of Digital Design                              | 1  |
| Director of Discount Products                           | 1  |
| Director of Financial Planning/Analysis                 | 1  |
| Director of Franchise Business Development<br>Strategic | 1  |
| Director of Local Sales Operations Support              | 1  |
| Director of Marketing eCommerce                         | 1  |

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|--|----|
| Director of Marketing Intelligence           | 1  |
| Director of Product Configuration            | 1  |
| Director of Retail Sales                     | 1  |
| Director of Sales and Financial Systems      | 1  |
| Employee Relations Manager                   | 1  |
| EVP Corporate Marketing Solutions            | 1  |
| EVP of Business Services                     | 1  |
| EVP of Product Development                   | 1  |
| EVP of Transformation                        | 1  |
| Finance Manager Cash Payment Card Management | 1  |
| Financial Analyst                            | 1  |
| Financial Plan/Analysis Manager              | 1  |
| Fundraising Account Executive                | 64 |
| Fundraising Service Leader                   | 6  |
| GIS Analyst                                  | 1  |
| GM of Youth/Cause Marketing                  | 1  |
| Graphic Designer                             | 1  |
| Hardware Technician                          | 3  |
| Human Resources Generalist                   | 1  |
| Inside Sales Specialist                      | 5  |
| Inside Sales Specialist - Senior             | 3  |
| Integrations & Database Manager              | 1  |
| Inventory Analyst                            | 1  |
| Manager of Account Services                  | 1  |
| Manager of Accounting                        | 2  |
| Manager of Accounting (Tax)                  | 1  |
| Manager of Campaign Marketing                | 1  |
| Manager of Financial Operations              | 1  |
| Manager of IT Production Support             | 1  |
| Manager of Logistics                         | 1  |
| Manager of Production Art                    | 1  |
| Manager of Quality Assurance                 | 1  |
| Manager of Sales Operations National         | 1  |
| Marketing Coordinator                        | 2  |
| Marketing Coordinator Marketing Services     | 1  |
| Marketing Manager                            | 2  |
| Marketing Manager Customer Retention         | 1  |
| Marketing Manager, Campaigns                 | 3  |
| Merchandising Manager                        | 1  |

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|---|----|
| Merchant Account Exec. - CAN                | 83 |
| Merchant CSR                                | 1  |
| Merchant CSENIOR Canada                     | 1  |
| Merchant Marketing Manager                  | 1  |
| Marketing Campaign Data Analyst             | 1  |
| National Key Accounts Manager               | 2  |
| Network Engineer                            | 2  |
| Office Manager                              | 1  |
| Office of the CEO                           | 1  |
| Print Production Coordinator 1              | 3  |
| Print Production Manager                    | 1  |
| Product Manager Memberships                 | 2  |
| Production Artist                           | 2  |
| Program Coordinator Director Sales          | 1  |
| Project Manager                             | 3  |
| Quality Assurance Analyst                   | 1  |
| Regional Sales Coordinator CA               | 1  |
| Regional Vice President - MPD               | 6  |
| Regional VP Fundraising Sales               | 1  |
| Regional VP HS Fundraising Sales            | 1  |
| Retail Sales Ops Manager                    | 1  |
| Sales Business Analyst                      | 1  |
| Sales Compensation Administrator            | 1  |
| Sales Support Manager                       | 2  |
| Sales Support Specialist                    | 4  |
| Sales Systems Analyst                       | 1  |
| Sales VP CMS                                | 5  |
| Sharepoint Developer Administrator          | 1  |
| Software Engineer                           | 3  |
| Senior Account Manager National             | 1  |
| Senior Accountant                           | 1  |
| Senior Accounts Receivable Analyst          | 1  |
| Senior Administrative Assistant             | 1  |
| Senior Benefits Administrator               | 1  |
| Senior Business Intelligence Developer      | 2  |
| Senior Database Administrator               | 1  |
| Senior Manager New Business Development CMS | 1  |
| Senior Marketing Manager - FSD              | 1  |
| Senior Paralegal                            | 1  |

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| Senior Payroll Analyst                       | 1   |
| Senior Sales Support Specialist              | 4   |
| Senior Software Engineer                     | 11  |
| Senior System Administrator                  | 2   |
| Senior Systems Administrator Manager         | 1   |
| Strategic Account Manager                    | 4   |
| Strategic Accounts Sales Manager             | 11  |
| Strategic Acct Manager - CAN                 | 1   |
| Supervisor of Fundraising Service            | 2   |
| Supervisor Service Desk Desktop Support      | 1   |
| Supply Chain Analyst                         | 1   |
| System Administrator                         | 1   |
| Systems and Product Trainer                  | 1   |
| Transportation Analyst                       | 1   |
| VP and Controller                            | 1   |
| VP National Sales Manager Corp Mkt Solutions | 2   |
| VP of Business Development                   | 1   |
| VP of Business Development CMS               | 1   |
| VP of Digital Product                        | 1   |
| VP of Direct Sales                           | 1   |
| VP of Financial Planning and Analysis        | 1   |
| VP of Local Content Sales                    | 1   |
| VP of Mkt Consumer Direct                    | 1   |
| VP Sales and Business Development CMS        | 1   |
| Web Designer Developer                       | 2   |
|  |     |
|  | 369 |

**Part-Time Positions Affected**

| <b><u>Part-Time Job Position</u></b> | <b><u>Number<br/>of<br/>Affected<br/>Employees</u></b> |
|--------------------------------------|--|
| Seasonal Fundraising                 | 271  |
| Temporary Hourly - US                | 22   |
| Temporary Intern Publishing          | 3  |
| Temporary Hourly - Canada            | 1  |
| Temporary Canada Sales               | 1  |
|                                      |  |
| Total                                | 298  |